ELEAZER F. BACKUS, PLAINTIFF IN ERROR, *v.* WILLIAM GOULD AND DAVID BANKS, WHO SUE AS WELL FOR THE UNITED STATES AS THEMSELVES.

By the sixth section of the act of February 3d, 1831, entitled "An act to amend the several acts respecting copyrights," the penalty of fifty cents on each sheet, whether printed or being printed, or published or exposed to sale, is limited to the sheets in possession of the party who prints or exposes them to sale.

It does not apply to those sheets which he had published or procured to be published, whether they were found in his possession or not.

THIS case was brought, by writ of error, from the Circuit Court of the United States for the Northern District of New York.

It was a *qui tam* action, brought by Gould and Banks against Backus, for an alleged invasion of their copyright in nine volumes of Cowen's Reports, and the first three volumes of Wendell's Reports.

On the trial, the affidavit of John L. Wendell was read, stating that he, the deponent, was the real plaintiff, and that Gould and Banks were merely nominal plaintiffs.

In 1838, Backus published a book entitled "A Digest of the Causes decided and reported in the Superior Court of the City of New York, the Vice-Chancellor's Court, the Supreme Court of Judicature, the Court of Chancery, and the Court for the Correction of Errors, of the State of New York, from 1823 to October, 1836, with Tables of the Names of the Cases and of Titles and References, being a Supplement to Johnson's Digest."

To the declaration, Backus pleaded *nil debet*.

Upon the trial, the plaintiffs proved themselves entitled to the copyright of the first, second, and fifth volumes of Cowen's Reports, and of the second volume of Wendell's Reports. And that from the above volumes the defendant had transferred, literally, one hundred and forty-two and a half pages; and they proved a sale by the defendant of five hundred copies of his work.

The counsel for the defendant then prayed the court to instruct the jury as follows.

1st. That John L. Wendell, and not the plaintiffs, was the owner and proprietor of the copyright to the said first, second, and fifth volumes of Cowen's, and to the said second volume of Wendell's Reports, and that, by the statute, no person but the owner or proprietor could maintain said suit for said penalty, and prayed the court so to instruct the jury. But the court decided that the suit might be maintained in the name of William Gould and David Banks, notwithstanding the facts set forth in the affidavits of John L. Wendell, and so instructed the

jury, and refused to instruct said jury as requested by defendant's counsel; to which decision, instruction, and refusal, the counsel for the defendant excepted.

2d. That the said books called the first, second, and fifth volumes of Cowen's Reports, and second volume of Wendell's Reports, are not the subject of a copyright, and the publisher of them could acquire no exclusive right to the publication thereof, and therefore could not be unlawfully infringed, and prayed the court so to instruct the jury. But the court decided, that, although the opinions of the several courts, as contained in said volumes of reports, were not the subject of a copyright, yet that the indexes of said volumes, and the statement of the cases preceding the opinions, and the marginal notes, or synopsis of the case, at the head of each case, were the subject of a copyright, for any infringement of which this action would lie, and so charged and instructed the jury, and refused to charge or instruct the jury as prayed by the defendant's counsel, to which decision, charge, and instruction, and refusal, the defendant's counsel excepted.

3d. The defendant's counsel insisted, that if the said indexes were the subject of a copyright, yet it was the duty of the proprietor thereof, who obtained the copyright, to express, in the title deposited and published, (where he was not entitled to a copyright of the whole book,) the matter for which he claimed such copyright; that he could not obtain a valid copyright to such matter, which was a very small portion of the work, under a general claim to a copyright to the whole book, and in this case he had not only not claimed any such copyright to the indexes, but merely a copyright to the report of the cases, and therefore had not acquired any valid copyright to such indexes, and prayed the court so to instruct the jury. But the court decided, that a copyright to the whole book would secure to the proprietors the exclusive right to such matter in the book as was susceptible of a copyright, although such matter composed ever so small a portion of the book, and so instructed the jury, and refused to instruct said jury as requested by the counsel for the said defendant; to which decision, instruction, and refusal, the counsel for the defendant excepted.

4th. The counsel for the defendant also insisted, that the plaintiffs having obtained a copyright purporting to be for the whole book, when they were only entitled to a copyright for a very small portion of the matter contained in such book, such copyright was wholly void, and no action would lie for any infringement of it, and prayed the court so to instruct the jury. But the court decided that such copyright would, and did, secure to the plaintiffs the exclusive right to such matter in

said book, whether it were more or less, as he was entitled to obtain a copyright for, and that said copyright was not void, and that this action would lie for an infringement or pirating of any part of the matter in said books for which the plaintiffs were entitled to obtain a copyright, and so instructed the jury, and refused to instruct the jury as prayed by defendant's counsel; to which decision, instruction, and refusal, the defendant's counsel excepted.

5th. The counsel for the defendant also further insisted, that the publication of the said supplement, or third volume of Johnson's Digest, was not a printing or publishing of the said first, second, and fifth volumes of Cowen's Reports, and second volume of Wendell's Reports, of which the said plaintiffs claimed to have the copyright, within the section of either of the acts of Congress giving said penalty. That said penal sections of said acts were to be construed strictly, and did not impose any penalty for printing or publishing a small portion of the matter for which a copyright was obtained; that, by the terms of the statute, the penalty was only inflicted for an unauthorized printing, reprinting, or publishing, &c., a copy or copies of the whole of the map, chart, book or books, for which the copyright had been obtained, and that for such printing, reprinting, or publishing any smaller portion than the whole, this action could not be sustained, and prayed the court so to instruct the jury. But the court decided, that an action for the penalty, given by the penal section of the act, would lie for the printing, reprinting, or publishing by the defendant of any part or portion of the matter in said first, second, and fifth volumes of Cowen's Reports, and second volume of Wendell's Reports, to which the plaintiffs were entitled to a copyright, and so instructed the jury, and refused to instruct the jury as prayed by the defendant's counsel; to which decision, instruction, and refusal, the counsel for the defendant excepted.

6th. The defendant's counsel also insisted that the offence for the which the penalty sued for was inflicted by the act of Congress was in the nature of a criminal offence; that the penalty was inflicted by the statute, in part, as a punishment for a criminal offence, and in part as a punishment for a tortuous, if not a criminal, invasion of private property, and that the action was local; and that the act or offence for which this action was brought was committed in the State of Pennsylvania, and therefore out of the jurisdiction of this court, and consequently the present action could not be sustained, and prayed the court so to instruct the jury. But the court decided that the action could be sustained in any State of the Union, and so charged the jury, and refused to instruct the jury as prayed by

the defendant's counsel; to which decision, charge, and refusal, the defendant's counsel excepted.

7th. The counsel for the defendant also insisted, that the publication by the defendant of a *bonâ fide* digest of the first, second, and fifth volumes of Cowen's Reports, and second volume of Wendell's Reports, was not an infringement of the copyright of the plaintiffs to said books; it was a benefit, and not an injury, to those books; and prayed the court so to instruct the jury, that if they found, from the evidence in the case, that the supplement, or third volume of Johnson's Digest, published by the said defendant, was a *bonâ fide* digest of the decisions of the cases contained in said volumes, and was published by the defendant in good faith, and not for the purpose of furnishing to the public the matter contained in said volumes in a cheaper form or for a less price than those volumes were sold for; and that said digest was, in fact, a benefit instead of an injury to said volumes, and would promote the sales thereof; that then said publication was no infringement of the plaintiffs' said copyright, and this action could not be sustained, and the defendant would be entitled to their verdict. But the court refused so to instruct the jury; but did charge and instruct the jury, that if the defendant had transferred to his said digest any part of the matter contained in the indexes of said first, second, and fifth volumes of Cowen's Reports, or second volume of Wendell's Reports, and thus availed himself of the labor of others contained in books of which the plaintiffs held the copyright, the plaintiffs were entitled to their verdict; to which refusal, and charge, and instruction, the defendant's counsel excepted.

8th. The counsel for the defendant also insisted, that from the very nature of the work published, the same idea contained in the indexes to said volumes of reports, if correctly stated in said indexes, must necessarily be stated in the digest published by defendant; and if published in English, substantially the same words must be used; and if the work was a *bonâ fide* digest, and not an evasion for the purpose of furnishing the public with the work in a cheaper form than the original, the publication of said digest by the defendant could not be deemed an invasion of the plaintiffs' copyright, unless the matter in said indexes had been literally transferred to the defendant's digest, and prayed the court so to instruct the jury. But the court refused so to instruct the jury, but instructed them, that if the defendant had transferred to the said digest, published by him, any part of matter contained in the indexes to said first, second, and fifth volumes of Cowen's Reports, and second volume of Wendell's Reports, it was an invasion of the plaintiffs' said

copyright, for which this action would lie; to which refusal and instruction the counsel for the defendant excepted.

9th. In regard to the amount of the penalty to be recovered, the defendant's counsel insisted that the plaintiffs could only recover fifty cents for every sheet of the matter transferred from said index to first, second, and fifth volumes of Cowen's Reports, and second volume of Wendell's, to the said digest of said defendant, as had been proved to have been found in his possession, either printing or printed, published, or exposed for sale; and that there was no legal proof that any such sheets of said matter had been so found in said defendant's possession, and prayed the court so to instruct the jury. But the counsel for plaintiffs insisted that they were entitled to recover fifty cents for every sheet of such matter which had been published, or procured to be published, by the defendant, whether the same were proved to have been found in the defendant's possession or not; and so the court decided and instructed the jury, and refused to instruct the jury as prayed by the counsel for the defendant; to which decision and instruction, and refusal to instruct, the defendant's counsel excepted.

And with such charge and instruction, the court submitted the cause to the jury, who, under such decisions, charge, and instruction, found a verdict for the plaintiffs for $ 2,069.75 debt, and six cents costs.

Upon all these exceptions the case came up to this court.

They were all fully argued, by *Mr. James Bayard* and *Mr. Joseph R. Ingersoll*, for the plaintiff in error, and *Mr. Wendell*, for the defendants in error.

The arguments upon all the points, except the one upon which the decision of the court turned, are omitted. The views expressed by *Mr. Bayard* were illustrated and enforced by *Mr. Ingersoll*, in his reply to *Mr. Wendell*.

Mr. Bayard said, that, before entering upon the argument, it was right, as well in justice to His Honor the District Judge (Conkling) before whom the case was tried, as to prevent any prejudice to the case from an apparent decision by the court below, to state the circumstances under which the case comes before this court.

This case, with another, embracing precisely the same questions, (which it is agreed shall abide the event of this,) came on to be tried before His Honor, Judge Conkling, who held the Circuit Court at Albany, in October, 1843, in the absence of the Circuit Judge, (the late Mr. Justice Thompson,) who was absent from sickness. In order to take a verdict which should determine the facts in the case, and fix the amount of the

penalty, if any had been incurred, the points of law were stated by counsel, and ruled by the judge without argument, with the understanding that they were to be argued before a full court, when Judge Thompson should be able to sit. His continued indisposition, which at last terminated in his death, prevented this from being done; and in July, 1845, judgment was entered upon the verdict, by order of plaintiffs' attorney, without argument. And this writ of error was sued out to bring the record into this court, where the case is really now to be decided for the first time.

(*Mr. Bayard* then proceeded to argue the several points, until he came to the ninth prayer to the court below.)

Again, by the express words of the act, the offender is to forfeit and pay fifty cents only "for every such sheet which may be found in his possession."

This limitation has been totally disregarded by the learned judge of the Circuit Court, who adopted the views of the counsel for the plaintiffs, who "insisted that they were entitled to recover fifty cents for every sheet of such matter which had been published, or procured to be published, by the defendant, whether the same were proved to have been found in the defendant's possession or not," and so decided and instructed the jury.

This appears to be a most manifest disregard of the terms of the statute, in order to give what the judge seems to have considered an equitable construction, making it extend to a case clearly beyond its terms, which is a mode of construction altogether inadmissible in the case of a penal statute.

The reason of this limitation of the penalty may not be very clear; but the words of the statute are plain, and when this is the case, there is no room for equitable construction in any statute, but especially in a penal one.

But it might not be difficult, if it were necessary, to find reasons for the limitation.

1st. Congress did not intend that an author should lie by during the two years allowed for bringing his action, permitting another to publish and vend his work during that time, and then recover fifty cents for every sheet so published.

This would be laying a trap for his ruin, as I have shown that the penalty upon an ordinary edition might exceed $15,000; and if it were a popular work, several such editions might be disposed of in the course of two years.

2d. But for this limitation, several penalties might be incurred by several different persons on account of the same sheets.

The penalty is to be inflicted upon "any person who shall print, publish, or import, or cause to be printed, publish

imported, any copy, &c., without consent of the owner, or who shall (knowing the same to be so printed or imported) publish, sell, or cause to be published, sold, or exposed to sale, any copy," &c.

Not only, therefore, the publisher, but the printer, and every bookseller who sells a copy, may be liable to this penalty.

Now, upon the principle adopted by the court below, the penalty is incurred by the act of publication, printing, or selling, and the amount is to be fixed by the number of copies published, printed, or sold, without regard to where they may be found. In case, therefore, of an edition of such a work, the publisher who has caused it to be printed, the printer who has actually printed it, the bookseller in whose store the whole edition has been placed for sale, and every bookseller to whom he has sent a part of it for sale, may be liable to the penalty of fifty cents for the same identical sheets. This could never have been intended.

3d. Again, it might be that a person who had unintentionally violated a copyright by the publication of a book might, upon discovering that his publication was illegal, destroy the whole edition, and so relieve himself from the penalty. But according to the decision of the Circuit Court, he would still remain liable. Nay, if he were even to give the whole edition to the author of the protected work, he would still, on the principle of this decision, remain liable to this penalty.

These are some of the reasons which might be given for this limitation of the penalty; but whatever the reasons may have been, the words are plain, and measure the amount of the penalty by the number of sheets "found in defendant's possession."

If the intention of the legislature was what the Circuit Court held it to have been, it would have been perfectly easy and most obviously proper to have expressed that intention, either by omitting the words, "which may be found in his possession," or by adding after the word "sale," in the next line, the words, "or which he may have sold, or caused to be sold"; either of which, particularly the former, would have been the simple and natural mode of expressing the intention contended for by the plaintiffs.

Accordingly we find, that in the British statutes on copyright, (of which there have been several,) there has been a change in this particular; and when the amount of the penalty was not intended to be measured by the number of books or sheets found in defendant's possession, it has been so expressed.

The first statute on this subject (from which all the subsequent ones, both in England and in this country, have been taken) was the statute 8 Ann, c. 19, (1710,) which gives to

authors and their assigns the sole right of printing, publishing, and vending their books for fourteen years, with the right of renewal for fourteen years longer if the authors are living at the expiration of the first term. And the first section provides, that if any other person shall print, reprint, &c., any such book or books, without the consent of the author or his assignee, "then such offender or offenders shall forfeit such book or books, and all and every sheet or sheets, being part of such book or books, to the proprietor or proprietors of the copyright thereof, who shall forthwith damask and make waste-paper of them; and further, that every such offender or offenders shall forfeit one penny for every sheet which shall be found in his, her, or their custody either printed or printing, published, or exposed to sale, contrary to the true intent and meaning of this act." Here we have the same limitation as in our act of Congress.

Next came the statute 12 Geo. II., c. 36, which was passed for the purpose of "prohibiting the importation of books reprinted abroad, and first composed or written and printed in Great Britain."

The first section of this statute, after prohibiting the importation for sale of books first written or printed in England, directs the forfeiture of the books so imported, to be damasked or made waste-paper of, as in the former statute, and then adds, "And further, that every such offender or offenders shall forfeit the sum of five pounds, and double the value of every book which he or they shall so import or bring into this kingdom, or shall knowingly sell, publish, or expose to sale, or cause to be sold, published, or exposed to sale, contrary to the true intent and meaning of this act."

Here we have the penalty not limited to the books found in the offender's custody or possession, but extended to all the books imported, sold, or exposed to sale contrary to the provisions of the statute.

The next statute was that of 15 Geo. III., c. 53, which was "An act for enabling the two universities in England, the four universities in Scotland, and the several colleges of Eton, Westminster, and Winchester, to hold in perpetuity their copyright in books given or bequeathed" to them, &c.

The first section of this act secures to the said universities and colleges the perpetual copyright in books given or bequeathed to them. The second section provides, that if any person shall print, reprint, or import any such book or books, he or they shall forfeit the same, and every sheet thereof, to be damasked or made waste-paper of. "And, further, that such offender or offenders shall forfeit one penny for every sheet which shall be

found in his, her, or their custody, either printing or printed, published, or exposed to sale, contrary to the true intent and meaning of this act." Here we have the penalty limited to the sheets found in the custody of the offender.

The next was the statute 41 Geo. III., c. 107, entitled "An act for the further encouragement of learning in the United Kingdom of Great Britain and Ireland, by securing the copies and copyright of printed books to the authors of such books, or their assigns, for the time herein mentioned."

This act is remarkable in several particulars, and especially with reference to the point now under consideration, that it has, in different sections, both the kinds of penalty; viz. one limited by the sheets found in the custody of the offender, and the other measured by the whole number of books imported. By the first section, after reciting that "it is expedient that further protection should be afforded to the authors of books," &c., the sole right of printing and reprinting is given to the author, &c., for fourteen years, with the right of renewal for another term of fourteen years, as before. Then it is enacted, that if any one violates this right, the offender or offenders shall be liable to a special action on the case, at the suit of the proprietor of the copyright, in which damages may be recovered. It is further enacted, that the offender shall forfeit such book or books, and all and every sheet and sheets, being part thereof, to be damasked, as before. "And all and every such offender and offenders shall also forfeit the sum of threepence for every sheet which shall be found in his or their custody, either printed or printing, or published, or exposed to sale, contrary to the true intent and meaning of this act."

After several other provisions, not material to the present question, we come to the seventh section, which forbids the importation for sale of books first printed in the United Kingdom and afterwards reprinted abroad. If any person shall import such book contrary to this act, "then every such book shall be forfeited, and may be seized by any officer of the customs, and the same shall be forthwith made waste-paper." "And all and every person so offending, upon conviction thereof, shall also, for every such offence, forfeit the sum of ten pounds, and double the value of each and every copy of such book or books which he, she, or they shall so import or bring, or cause to be imported or brought, into any part of the said United Kingdom."

Here was a statute intended to give "further protection" to authors, which it does by,—1st, extending the sole right of authors, &c., to the whole of the United Kingdom of Great Britain and Ireland; 2d, giving a special action on the case to

proprietors of copyrights; 3d, increasing the penalty on reprinting, &c., from one penny to threepence; 4th, giving to officers of the customs the right, and making it their duty, to seize and destroy any books imported in violation of the act; 5th, increasing the penalty on importing such books from five to ten pounds. But the court will observe, that although this statute was intended to increase the protection to copyright, and although the legislature had fully in view the two different modes of measuring the penalty, imposing one in the first section and the other in the seventh, yet they made no alteration in this respect with regard to books reprinted in the kingdom, but adhered to the original limitation, contained in the statute of Ann, only increasing the penalty from one penny to threepence, while they follow the statute of 12 Geo. II. in extending the penalty on imported books to all books imported.

The next act shows the intention of the legislature still more clearly. That was the statute 54 Geo. III., c. 156, entitled "An act to amend the several acts for the encouragement of learning, by securing the copies and copyright of printed books to the authors of such books or their assigns."

The fourth section of this act extends the term of copyright to twenty-eight years, (with a subsequent extension, in section ninth, for the life of the author, if living at the expiration of the twenty-eight years,) gives the special action on the case for violation of the copyright, directs the forfeiture of every book printed, &c., in violation of the copyright, to be damasked, as before, and then provides, that "all and every such offender and offenders shall also forfeit the sum of threepence for every sheet thereof, either printed or printing, or published, or exposed to sale, contrary to the true intent and meaning of this act." Here the limitation to *sheets found in the custody of the offender* is omitted,—and this is particularly important, as I will show presently when I come to examine the acts of Congress on this subject.

I have been thus particular in the examination of these British statutes, because the acts of Congress have been evidently taken from them, copying the very words in many instances. And in the absence of decided cases, putting a judicial construction upon these acts, it is important to learn the sense of the legislature, as to the true meaning of the terms used, from the changes which have been made from time to time; and it is very evident, from this examination, that where the legislature intended to extend the penalty beyond the books or sheets found in the custody of the offender, they have said so in such a way as to leave no doubt about it; as, first, in the case of importation of protected books, the offender forfeits double the

value of every book imported, and, finally, in 1814, and not till then, in case of reprinting in England, the offender shall forfeit threepence for every sheet either printed or printing, or published, or exposed to sale, contrary to the act.

In the last British statute on this subject, 5 & 6 Vict., c. 45, which repeals the former acts, and forms a complete system of copyright law, the penalty of pecuniary forfeiture is omitted altogether; and the proprietor of a copyright has a special action on the case for damages, and a right to maintain detinue or trover for the pirated copies.

Now let us turn to the acts of Congress on this subject. The first was the act of the 31st of May, 1790, which gives to the author or authors of any map, chart, book, or books, (being citizens of the United States,) and their executors, administrators, and assigns, the sole right to print, reprint, publish, and vend the same for the term of fourteen years, with the right of renewal by the author, if living, for another term of fourteen years.

The third section provides the penalty for violating this copyright, viz.: — 1st. Forfeiture of every copy of the book, &c., wrongfully printed, to be destroyed, &c.; 2d. "And every such offender and offenders shall also forfeit and pay the sum of fifty cents for every sheet which shall be found in his or their possession, either printed or printing, published, imported, or exposed to sale, contrary to the true intent and meaning of this act."

The court will observe that these provisions of this act were taken from the British statutes then in existence. The same term of duration, — fourteen years, with the right of renewal for fourteen years more if the author were living. The same penalty, — forfeiture of books to be destroyed, and payment of a sum of money for every sheet found in the offender's possession. The difference in this part of the act being, that Congress uses the word "possession" instead of "custody," and fixes the penalty at fifty cents instead of threepence, thus making this act much more severe than the British statutes, as I remarked in a former part of my argument.

Then we come to the act of February 3, 1831, under which this action is brought, for it repeals the previous acts. This act extends the term of copyright to twenty-eight years, with the right of renewal for fourteen years more by the author, if living, and then, after providing the mode of securing the copyright by deposit of title-page, and giving notice by publication, the sixth section provides the penalty, which is, as in the former act, forfeiture of every copy of the book, but not to be destroyed, and "fifty cents for every sheet which may be

found in his possession, either printed or printing, published, imported, or exposed to sale, contrary to the intent of this act."

Now the court will observe that this act of Congress was passed sixteen years after the statute 54 Geo. III., c. 156. And there can be no doubt that this statute was before the framers of the act of Congress, not only from the general presumption that Congress would be acquainted with an act of Parliament on the same subject passed sixteen years before, but from their adopting some of its provisions, such as the extended term of twenty-eight years. And yet Congress carefully adheres to the old penalty, limiting it to the sheets found in the offender's possession, although they must have seen the alteration made in the British statute, and known that the effect would be to extend the penalty to all sheets printed or imported. Perhaps Congress thought the penalty of fifty cents a sheet was so large, that it ought to be limited to the sheets found in defendant's possession. Perhaps it was intended to excite the diligence of the informer to commence his action as soon as the work was published, and before it passed out of the possession of the publisher; or, more probably, the penalty thus limited was intended to operate as a restraint upon booksellers who might take the work for sale, and who would be subject to the penalty for the sheets found in their possession. But whatever may have been the reason, the words of the act of Congress are distinct and plain.

The legislature has prescribed a certain penalty, to be measured by a standard distinctly given. The British Parliament saw proper to alter and enlarge that penalty for the United Kingdom of Great Britain and Ireland. But the Congress of the United States, when their attention was specially called to the subject, have refused to adopt this alteration. They have adhered to the old penalty, and the courts of the United States will not make the alteration.

If this construction is correct, as I trust the court will agree with us in thinking it to be, it is very evident that the instruction given by the court, and the verdict found by the jury in this case under the direction of the district judge, impose a penalty totally different from that prescribed by the law, — for not a single sheet of this work was found to be in the possession of the defendant; and the judgment upon it must therefore be reversed.

Mr. Wendell.

It is said that the penalty of fifty cents is limited to the sheets found in the possession of the defendant, though the counsel candidly admitted it to be difficult to discern the reason

of that limitation. He, however, suggested that it might have been on account of the enormous penalty which would be imposed in the case of the reprint of a whole volume, and that it might have been to induce the bringing of an action forthwith, before the books had passed into the hands of innocent holders, and thus save them from prosecution. It was also said, that, although in the later acts of the Parliament of England upon the subject of copyright, the words "sheets found in the custody of the offender" are omitted, the similar words contained in our original act upon the subject are still continued in the last act of Congress; from which it was inferred, that these words contained some peculiar meaning, which, with us, was intended to be preserved. The answers to which suggestions are, — 1st, that the penalty will be equally enormous whether the action be brought forthwith or at the end of a year; 2d, that innocent holders of the pirated work are not exposed, for the penalty reaches only those who knowingly sell; and, 3d, the change of phraseology in the acts of Parliament shows that these words were considered mere matter of form, as "sheets printing and printed," the only state of things to which the words could attach, are retained in the act.

Mr. Justice McLEAN delivered the opinion of the court.

This cause is brought here by a writ of error to the Circuit Court of the United States for the Northern District of New York.

An action of debt was brought by Gould and Banks to recover certain penalties alleged to have been incurred by the invasion of the copyright of the plaintiffs in twelve volumes of law reports, to wit, nine volumes of Cowen's Reports and three of Wendell's, by the publication of a Digest as a supplement or third volume of Johnson's Digest. The defendant pleaded *nil debit.*

On the trial, the plaintiffs proved themselves entitled to the copyright of the first, second, and fifth volumes of Cowen's Reports, and of the second volume of Wendell's Reports; and that from the above volumes the defendant had transferred, literally, one hundred and forty-two and a half pages; and they proved a sale by the defendant of five hundred copies of his work.

The injury complained of consisted in copying from the above reports the marginal notes or indexes of the reporter, and publishing them in the Digest. From the first volume of Cowen's Reports forty pages were copied, from the second volume twenty-nine, from the fifth fifty-four pages, and from the second volume of Wendell's Reports nineteen and a half pages

were copied, which included the whole of the indexes of that volume except eight and a half pages. The change in the phraseology was so great in these pages that the witness did not consider them as having been transferred to the Digest.

This is a *qui tam* action, and was brought under the sixth section of the act of 1831, entitled "An act to amend the several acts respecting copyrights."

Before the Circuit Court many points of law were raised, and instructions prayed, on the facts in evidence; but as the decision will turn upon the construction of the above section, under the ninth prayer of the defendant, the other questions will not be considered.

The defendant's counsel insisted "that the plaintiffs could only recover fifty cents for every sheet of the matter transferred from said index to the first, second, and fifth volumes of Cowen's Reports, and the second volume of Wendell's, to the said Digest of said defendant, as had been proved to have been found in his possession, either printing or printed, published, or exposed for sale; and that there was no legal proof that any such sheets of said matter had been so found in said defendant's possession, and prayed the court so to instruct the jury."

"But the counsel for plaintiffs insisted that they were entitled to recover fifty cents for every sheet of such matter which had been published, or procured to be published, by the defendant, whether the same were proved to have been found in the defendant's possession or not; and so the court decided and instructed the jury." And they found a verdict for plaintiffs for "two thousand sixty-nine dollars and seventy-five cents debt, and six cents costs."

The sixth section provides, that, if any person, within the term for which a copyright has been secured, shall print, publish, or import, &c., sell, or expose to sale, or cause to be published, sold, or exposed to sale, any copy of such book, without consent in writing, such offender shall forfeit every copy of such book to the person legally entitled to the copyright thereof; "and shall also forfeit and pay fifty cents for every such sheet which may be found in his possession, either printed or printing, published, imported, or exposed to sale, contrary to the intent of this act."

This penalty of fifty cents on each sheet, whether printed or being printed, or published, or exposed to sale, is limited to the sheets in possession of the defendant. But under the instruction of the court, a verdict was rendered for every sheet which the defendant had published or procured to be published.

As this is a penal section, it must be construed strictly. Under it, every copy of a book published without the consent

of the person having the copyright is forfeited, in addition to the penalty of fifty cents on each sheet in his possession.

The declaration seems not to have been drawn with the view of enforcing any other penalty than that which is imposed for each sheet found in the possession of the defendant.

The judgment of the Circuit Court is reversed, and the cause remanded for further proceedings.

Order.

This cause came on to be heard on the transcript of the record from the Circuit Court of the United States for the Northern District of New York, and was argued by counsel. On consideration whereof, it is now here ordered and adjudged by this court, that the judgment of the said Circuit Court in this cause be, and the same is hereby, reversed, with costs, and that this cause be, and the same is hereby, remanded to the said Circuit Court, with directions to award a *venire facias de novo*.

JONATHAN W. NESMITH AND THOMAS NESMITH, COMPLAINANTS, *v.* THOMAS C. SHELDON, HORACE H. COMSTOCK, DAVID FRENCH, WILLIAM E. PETERS, JAMES FORTON, ATTA E. MATHER, HENRY B. HOLBROOK, SAMUEL P. MEAD, FRANCIS E. ELDRED, PHEBE ANN DEAN, CULLEN BROWN, AND CHARLES H. STEWART, RESPONDENTS.

The legislature of Michigan passed an act on the 15th March, 1837, entitled "An act to organize and regulate banking associations," and on the 30th of December, 1837, an act to amend the former act. By the first, any persons were allowed to form associations for the purposes of banking upon the terms specified in the law; and by the second, the stockholders were made liable, in their individual character, under certain circumstances, for the debts of the association.

The associations formed under these acts are corporations within the meaning of the constitution of Michigan, and the acts are unconstitutional and void.

The second section of the twelfth article of the constitution forbidding the legislature from "passing any act of incorporation unless with the assent of at least two thirds of each house," the judgment of the legislature is required to be exercised upon the propriety of creating each particular corporation, and two thirds of each house must sanction and approve each individual charter.

The Supreme Court of the State of Michigan has so construed its constitution, and it is the established doctrine of this court, that it will adopt and follow the decisions of the State courts in the construction of their own statutes where that construction has been settled by the decision of their highest judicial tribunal.

THIS case was formerly before this court, on a certificate of division in opinion between the judges of the Circuit Court for the District of Michigan. Its facts and the reasons for its dismissal will be found in 6 Howard, 41.

It now came up upon the following certificate of division in opinion.